

CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS
Fiscal Year 2005 Operating Budget

GENERAL PROPERTY TAXES

General Property Taxes account for approximately 29% of the City's general fund operating revenues. These taxes are derived from annual assessment of real estate and tangible personal property located in the City. The City Assessor appraises real estate property annually. This category includes property tax collections for current and delinquent years. Also included in this category are collections for Public Service Corporations, property appraised by the State Corporation Commission, and cover real, personal property, and machinery & tools. Revenues received for property tax on mobile homes, boats, and motorcycles are also included in this revenue category.

Real Property Taxes

By state law, all real property taxes must be assessed each year at 100% of fair market value. The assessments are made on a fiscal year basis and must be complete and mailed to property owners by June 30th for the next fiscal year. Taxes are then due on Dec 1, and June 1 of that fiscal year. The current tax rate is \$.54 per \$100 of assessed value. The City's real estate tax rate history is shown in the following tabulation:

Real Estate Property Tax Rates	
Fiscal Year 1987	\$.52
Fiscal Year 1988	.51
Fiscal Year 1989	.50
Fiscal Year 1990	.52
Fiscal Years 1991-2004	.54

Real property taxes generated by other selected Virginia localities for the fiscal year ended June 30, 2002 are as follows¹:

Locality	Tax Rate / \$100	Real Property Tax Revenues FY 2002	% Increase Over FY 2001	% of Total Local Revenues	Tax Rate vs. Wmsbg.	Per Capita Revenue
James City County	\$.87	\$44,623,671	8.23%	49.55%	+61%	\$861.46
York County	\$.86	\$34,276,064	7.60%	44.96%	+59%	\$582.93
Winchester	\$.72	\$10,618,160	5.27%	25.11%	+33%	\$431.63
Hampton	\$1.27	\$70,697,286	8.12%	38.29%	+135%	\$486.89
Newport News	\$1.27	\$91,619,708	5.08%	35.54%	+135%	\$510.98
Williamsburg	\$.54	\$4,962,549	6.01%	18.17%		\$393.85

¹ Commonwealth of Virginia - Comparative Report of Local Government Revenues and Expenditures

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Real property tax revenues received during the past ten fiscal years are shown below²:

Fiscal Year	Amount	% Increase (Decrease)
1994	3,733,908	2.2%
1995	3,801,000	1.8%
1996	3,806,289	0.01%
1997	4,093,646	7.5%
1998	3,994,920	(2.41%)
1999	4,237,639	6.08%
2000	4,551,006	7.39%
2001	4,681,313	2.86%
2002	4,962,549	6.01%
2003	5,523,130	11.30%

Real estate taxes are generated based on the value of the City's tax assessment rolls. Taxable real estate property values for the last ten fiscal years are as follows:

Fiscal Year	Taxable Real Estate Property Values	% Increase (Decrease)
1994	681,300,500	.98%
1995	687,954,600	.98%
1996	706,903,100	2.75%
1997	735,851,100	4.10%
1998	749,039,424	1.79%
1999	792,641,200	5.82%
2000	815,856,500	2.93%
2001	863,961,268	5.90%
2002	908,631,326	5.17%
2003	995,635,300	9.58%

For each 1¢ of the City's tax rate, approximately \$99,564 is generated annually, based on the fiscal year 2003 landbook values.

² City of Williamsburg's Comprehensive Annual Financial Reports-amounts include prior years' delinquent real estate tax receipts.

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Personal Property Taxes

Tangible personal property is classified into two categories for valuation purposes, personal and business property. Cars, trucks, boats, trailers, etc., comprise personal property, and furniture, fixtures, and machinery account for business property. Property is assessed each January 1st, and taxes are due on December 1st, of the same year. The rate of assessment for motor vehicles is determined by the NADA or “Blue Book” loan value. Furniture, machinery, etc., is assessed at 30% of original cost. The tax rate is \$3.50/\$100 of assessed value. Personal property taxes generated by select Virginia localities for the fiscal year ended June 30, 2002 are tabulated as follows³:

Locality	Tax Rate / \$100	Personal Property Tax Revenues*	% Increase Over FY 2001	% of Total Local Revenues	Per Capita Revenue
James City County	\$4.00	\$14,047,613	(6.28%)	15.60%	\$271.19
York County	\$4.00	\$8,304,606	(8.00%)	10.90%	\$141.23
Winchester	\$3.50	\$5,772,495	(5.85%)	13.65%	\$234.65
Hampton	\$4.25	\$11,068,454	(40.80%)	6.00%	\$76.23
Newport News	\$4.15	\$31,269,541	(4.08%)	12.13%	\$174.40
Williamsburg	\$3.50	\$1,567,115	(6.50%)	5.74%	\$124.37

**Includes Machinery & Tools and excludes State reimbursement for Personal Property Tax Relief Act.*

Personal Property tax revenues received during the past ten fiscal years are shown below⁴:

Fiscal Year	Personal	Business*	Total Amount	Total% Increase
1994	470,549	784,540	1,255,089	2.6%
1995	546,520	858,404	1,404,924	11.9%
1996	623,754	957,082	1,580,836	12.5%
1997	754,376	993,722	1,748,098	10.6%
1998	735,157	1,055,475	1,790,632	2.4%
1999	824,121	1,088,503	1,912,624	6.8%
2000	771,493	1,179,212	1,950,705	1.99%
2001	917,722	1,207,908	2,125,630	8.97%
2002	1,002,744	1,246,548	2,249,292	5.82%
2003	1,019,000	1,279,076	2,298,076	2.17%

³ Commonwealth of Virginia - Comparative Report of Local Government Revenues and Expenditures.

⁴ City of Williamsburg's Comprehensive Annual Financial Reports-amounts include prior years' delinquent personal property tax receipts.

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Public Service Corporations

Tax revenues are generated by public service corporations based on annual assessments of property, both real and personal, by the State Corporation Commission. Public service corporations are those providing services such as water, heat, light and power, telecommunications, and railroads within local government boundaries. Property assessments for the last ten fiscal years, along with the total revenue receipts for public service corporations are provided as follows:

Fiscal Year	Real Estate Assessments	Personal Property Assessments	Total Public Service Corporation Revenue
1994	34,902,995	4,982	188,651
1995	37,666,483	12,640	203,841
1996	38,369,271	16,325	207,765
1997	37,580,129	29,212	203,934
1998	37,937,591	27,628	202,269
1999	40,999,777	18,895	225,861
2000	43,812,511	4,164	236,733
2001	47,224,673	18,775	255,670
2002	50,895,236	17,285	275,439
2003	49,990,963	340,727	282,265

In fiscal year 2003, the city received tax on vehicles for 2002 tax year from a large taxpayer. As of January 1, 2003, public service vehicles are not taxable.

Penalties and Interest

Personal property and first half fiscal year real estate taxes are due December 1st each year. Second half real estate taxes are due June 1st. Penalties are charged on all property tax accounts if not paid by these due dates. Penalty charges for delinquent property taxes are as follows:

Amount of Taxes	Personal Property	Real Estate
Up to \$10	Penalty is same as tax	Penalty is 10%
\$10.01 - \$100	Penalty is \$10	Penalty is 10%
\$100.01 and up	Penalty is 10%	Penalty is 10%

Interest charges begin January 1st for delinquent first half real estate and personal property taxes, and July 1st for second half taxes. Interest is computed monthly, with an annual percentage rate of 10% as

provided for in the Williamsburg City Code.

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Penalty and interest revenues over the past ten fiscal years are shown in the following tabulation:

Fiscal Year	Penalties	Interest	Total
1994	76,679	37,171	113,850
1995	75,662	52,965	128,627
1996	70,021	54,444	124,465
1997	58,111	23,361	81,472
1998	75,455	51,529	126,984
1999	55,441	28,929	84,370
2000	62,590	25,604	88,194
2001	56,962	18,145	75,107
2002	65,098	21,739	86,837
2003	68,639	35,236	103,875

OTHER LOCAL TAXES

This category of local revenues differs from general property taxes in that they are not billed by the City [except in the case of business licenses]. They are dependent on business volume, and most are *self-imposed* [businesses report sales activity directly to the City, and charges are based on these reported figures]. Business activity is subject to verification by the Revenue Manager.

Local Sales and Use Taxes

Local sales and use taxes are based on business activity in the City reported to the Commonwealth of Virginia by all businesses that are required to charge retail sales taxes. The taxes are collected and submitted to the Virginia Department of Taxation on a monthly basis and one percent of these proceeds are then returned to the City directly from the State. As a matter of policy, the City has designated these revenues to pay for its ongoing capital improvement program.

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Revenues received from the Commonwealth of Virginia for sales taxes over the last ten fiscal years are as follows:

Fiscal Year	Sales Tax Receipts	% Increase (Decrease)
1994	3,368,895	13.47%
1995	3,607,842	7.09%
1996	3,479,576	(3.56%)
1997	3,403,649	(2.18%)
1998	3,527,210	3.63%
1999	3,673,944	4.16%
2000	3,782,864	2.96%
2001	3,720,937	(1.64%)
2002	4,368,379	17.40%
2003	3,781,232	(13.44%)

Consumers' Utility Taxes

Use taxes are collected by public utility companies and remitted to the City on a quarterly basis. City Council approves the rates charged annually. The following table highlights the purpose and rates charged by these utility companies in effect during fiscal year 2003:

Current City Charges			Maximum-State Code			
Type	Residential Rate	Commercial Rate	Res. Max Per month	Comm-Industrial Max/month	Residential Maximum Allowable Charge/month	Comm/Ind. Maximum Allowable Charge/month
Electricity	\$.70/ month Plus .007468 per kw hours	\$1.15/month Plus .006947 per kw hours	\$1.00	\$20.00	20% up to \$15=\$3	20% up to \$200=\$40
Gas	\$.70/month Plus .014 per CCF	\$1.15/month Plus.0243 per CCF	\$1.00	\$20.00	20% up to \$15=\$3	20% up to \$200=\$40
Propane	N/A	N/A	N/A	N/A	Same as above	Same as above
Telephone	5% per month	5% per month	No limit	No limit	Same as above	20% up to \$15=\$3
Mobile-Cellular	N/A	N/A	N/A	N/A	10% up to \$30=\$3	10% up to \$30=\$3
Telephone - E-911	\$2.00 per month	\$2.00 per month	\$2.00 per month	\$2.00 per month	No limit	No limit

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Under recent State legislation deregulating gas and electric utilities, local utility taxes are based on restructured rates designed to be revenue neutral to localities. Maximum allowable charges for the City will not change and will produce the same utility tax revenue. Total receipts collected over the last ten fiscal years are as follows:

Fiscal Year*	Electric	Telephone	Natural Gas	E-911	Consumer Utility Tax Collections
1994	170,521	107,899	50,110	31,173	359,703
1995	185,765	122,621	38,018	41,786	388,190
1996	177,738	110,243	53,176	36,377	377,534
1997	176,456	120,865	58,260	39,859	395,440
1998	178,116	114,757	58,814	76,272	427,959
1999	169,896	122,079	59,740	87,796	439,511
2000	177,866	145,668	63,929	85,603	473,066
2001	181,253	154,657	58,835	111,242	505,987
2002	194,648	150,012	58,370	186,059	589,089
2003	195,418	199,374	55,082	216,106	665,980

* E-911 charges began in Fiscal Year 1994, and continued until June 30, 1997 at the \$.50 per month charge. Beginning July 1, 1997, the rate was increased to \$1.00 per month. Effective July 1, 2001, the rate was increased to \$2.00.

Business License Taxes (BPOL)

All businesses in the City must obtain a business license to operate. The Commissioner of the Revenue sends business license applications in late December each year. Forms provided include prior year information [name, address, type of business conducted, gross receipts, etc.] and it is the responsibility of licensees to confirm or change information. The applications must be returned to the Commissioner by February 15th. The charge for business license is dependent on gross receipt figures provided on the application. The due date for payment of business licenses is March 1st each year, with a 10% penalty beginning March 2nd, with interest accruing at 10% annual percentage rate.

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A detailed list of rates is provided for information purposes.

Trade/Type	Fee [based on gross receipts]	Minimum Fee
Business or Personal Service	\$.36/\$100	\$30 up to \$8,200
Contractor	\$.16/\$100	\$30 up to \$18,000
Fortune Teller	\$1,000 flat fee	Flat license fee
Itinerant Merchant or Peddler License	\$500 flat fee	\$30
Professional Service	\$.58/\$100	\$30 up to \$5,000
Retail Merchant	\$.20/\$100	\$30 up to \$15,000
Wholesale Merchant	\$.05/\$100	\$30 up to \$60,000
Restaurant (seating 50-100)	\$200	Flat license fee
Restaurant (seating 101-150)	\$350	Flat license fee
Restaurant (seating 151-up)	\$500	Flat license fee
Bed & Breakfast – Mixed Beverage	\$40	Flat license fee
On/Off Sale of Beer-Wine	\$150	Flat license fee
On/Off Premises Sale of Beer	\$100	Flat license fee
On Premises Sale of Beer & Wine	\$150	Flat license fee
On Premises Sale of Beer	\$100	Flat license fee
Off Premises Sale of Beer & Wine	\$150	Flat license fee
Off Premises Sale of Beer	\$100	Flat license fee

Business Licenses receipts over the last ten fiscal years are as follows:

Fiscal Year	Business License Receipts	% Increase (Decrease)
1994	1,161,475	15.74%
1995	1,201,156	3.42%
1996	1,301,842	8.38%
1997	1,306,484	.36%
1998	1,354,180	3.65%
1999	1,464,810	8.17%
2000	1,535,238	4.81%
2001	1,592,792	3.75%
2002	1,622,735	1.88%
2003	1,641,721	1.17%

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Franchise License Fees

The Code of Virginia, § 15.1-23.1, grants local governments the authority to levy franchise fees for various types of businesses providing public convenience and necessity (such as cable TV, electric, gas, telephone, bus, and taxi services). These particular types of businesses have been granted the use of city streets and right-of-ways to conduct business, and as such, are separate from the business license revenue classification. The City's current agreement with Cox Cable began March, 1996, will expire March 2011, and is the major source of franchise fees.

Activity	Fee
Cable TV	5% of gross receipts
Public Utilities	\$.50/\$100 gross receipts
Taxi & Bus Services	\$75 flat fee plus \$60 per cab owned

Franchise fees collected over the past ten years are shown below:

Fiscal Year	Cable TV	Gas & Electric	Telephone	Other	Total Franchise Collections
1994	37,099	77,995	8,905	3,303	127,302
1995	133,407	76,170	9,233	1,712	220,522
1996	75,361	80,073	9,898	1,636	166,968
1997	39,994	84,655	10,538	2,109	137,296
1998	75,353	83,459	10,830	53	169,695
1999	71,388	78,724	11,370	2,219	163,701
2000	85,007	82,111	11,919	1,865	180,902
2001	96,760	98,595	17,885	3,067	216,307
2002	105,015	70,491	18,386	741	194,633
2003	112,058	66,571	22,117	1,614	202,360

Under State gas and utility deregulation effective January 1, 2001, the gross receipts tax has been replaced by a consumption tax with a staggered rate structure based on consumption. Public utility companies are required to submit these fees monthly to localities. The consumption tax rate for gas companies is \$.004 per consumption cubic feet (CCF). The rate for electric companies is based on kilowatt-hours and are: \$.000380 up to 2,500 kw hours; \$.000240 for 2,500 to 50,000 kw hours and \$.000180 over 50,000 kw hours.

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Bank Stock Taxes

Every incorporated bank, banking association or trust company organized by or under the authority of the laws of the Commonwealth are responsible for filing bank franchise taxes⁵. A specific state tax form is prepared annually for banks, and filed with the Commonwealth of Virginia. The tax is essentially 8/10's of 1% of a bank's total equity capital (including reserves for losses) less real estate and personal property holdings which are taxed by Virginia localities. Banks submit the portion of its total bank stock taxes to local governments based on the percentage of banking operations within each locality. Bank stock tax collections over the past ten years are shown below:

Fiscal Year	Receipts	% Increase (Decrease)
1994	67,153	(6.82)%
1995	158,791	136.46%
1996	185,684	16.94%
1997	185,744	.03%
1998	159,896	(13.92%)
1999	170,345	6.53%
2000	179,752	5.52%
2001	238,379	32.62%
2002	189,433	(20.53%)
2003	140,880	(25.63%)

Recordation Taxes

State law gives City Council the power to impose recordation taxes upon the first recordation of each taxable instrument recorded in the City. Taxable instruments generally consist of deeds, deeds of trust, and marriage licenses. The rate charged is \$.15 on every \$100 or fraction thereof of the consideration of the deed or the actual value of the property conveyed, whichever is greater⁶. For deed recordation in excess of \$10 million value, a sliding scale is used. The Clerk of the Circuit Court is responsible for collecting and remitting these fees monthly to the City. In addition to these fees, a local tax is imposed (equal to up to 1/3 of the state recordation tax) and submitted to the City. The City has charged this maximum fee for many years. A grantor's tax is also collected by the Clerk of the Circuit Court, and submitted to the State for quarterly distribution. This tax is classified under the Non-Categorical Aid section of this report.

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⁵ Commonwealth of Virginia, Dept of Taxation, Virginia Bank Franchise Tax, 1997 Forms

⁶ Code of Virginia §581-801.

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Local recordation taxes collected over the past ten fiscal years are as follows:

Fiscal Year	Recordation Fees
1994	49,372
1995	58,707
1996	67,801
1997	99,609
1998	84,457
1999	99,148
2000	99,367
2001	104,137
2002	109,141
2003	131,173

Hotel & Motel Room Taxes

The City levies a transient occupancy tax on hotels, motels, bed and breakfasts, and other facilities offering guest rooms rented out for continuous occupancy for fewer than 30 consecutive days. City Council, by ordinance, set this rate at 2% when it debuted in March 1981. From January 1991 through December 1998, the rate was set at 4%. Beginning January 1, 1999, the rate was increased to 5%. Businesses collect this tax during the normal course of operations, and submit it to the City by the 20th of the following month.

Room tax collections over the last ten fiscal years are:

Fiscal Year	Room Tax Collections	% Increase (Decrease)
1994	2,581,877	10.20%
1995	2,896,634	12.19%
1996	2,989,596	3.21%
1997	2,967,212	(.75%)
1998	3,238,538	9.14%
1999	3,673,349	13.43%
2000	4,097,054	11.53%
2001	3,895,420	(4.92%)
2002	4,114,010	5.61%
2003	3,974,894	(3.38%)

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Restaurant/Food Taxes

The Code of Virginia allows the City to impose this excise tax on all food and beverages sold in the City as a meal. City Code defines “food & beverages” as all food, beverages or both, including alcoholic beverages, which are meant for refreshment or nourishment value, purchased in or from a restaurant, whether prepared in such restaurant or not, and whether consumed on the premises or not.⁷ Restaurant Food tax was also raised to 5% as of January 1, 1999. Meal tax collections over the last ten fiscal years are:

Fiscal Year	Meal Tax Collections	% Increase (Decrease)
1994	3,178,749	8.61%
1995	3,509,958	10.42%
1996	3,596,612	2.47%
1997	3,668,177	1.99%
1998	3,890,755	6.07%
1999	4,364,758	12.18%
2000	5,075,742	16.29%
2001	5,114,515	.76%
2002	5,318,886	3.96%
2003	5,244,106	(1.41%)

The City’s adopted fiscal year 2003-2004 operating budget estimates room & meal tax revenues to be \$9,675,000, or 37.77% of the total budget. Rates charged by nearby Virginia localities, and the percentage of estimated fiscal year 2003-2004 receipts to total operating budgets, are presented below:

Locality	Room Tax Rate	% of FY 2004 Budget	Meal Tax Rate	% of FY 2004 Budget	Total % of Budget
York County	5%	2.31%	4%	3.62%	5.93%
James City County	4%	1.76%	4%	3.51%	5.27%
Virginia Beach*	8%	1.44%	5.5%	2.76%	4.20%
Hampton	7.5%	.81%	6.5%	3.42%	4.23%
Newport News	7.5%	.74%	6.5%	3.86%	4.60%
Norfolk	8%	.86%	6.5%	3.13%	3.99%
Williamsburg	5%	16.79%	5%	20.98%	37.77%

**In addition to room taxes, Va Beach charges a flat rate tax of \$1 per night, per room.*

⁷ Williamsburg City Code, Section 18.271.

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Permits, Privilege Fees and Regulatory Licenses

The City uses the Virginia Uniform Statewide Building Code (USBC), which covers new construction, renovation, demolition, plumbing, gas, mechanical, electrical, fire protection system installations and asbestos removal. The category's major components consist of building, electrical, plumbing, and mechanical permits.

A history of permit revenues are as follows:

Fiscal Year	Building	Electrical	Plumbing	Mechanical	Other*	Total
1994	26,511	7,237	5,477	18,522	17,636	75,383
1995	33,284	9,202	9,974	16,957	27,087	96,504
1996	41,222	9,934	12,092	11,637	21,925	96,810
1997	36,781	8,619	10,246	14,736	19,439	89,821
1998	23,392	8,589	6,565	12,366	24,241	75,153
1999	80,388	24,457	23,197	24,374	28,715	181,131
2000	53,626	22,679	18,885	22,663	45,438	163,291
2001	120,913	33,951	36,981	34,608	40,594	267,047
2002	70,343	22,674	23,537	21,117	36,314	173,985
2003	95,522	25,860	26,923	27,782	36,531	212,618

**Other includes dog licenses, parking, zoning, right-of-way, raffle, and fire prevention permits.*

Fines and Forfeitures

This revenue category is used to account for court and parking fines. The Court system has guidelines for setting case-related fines, while City Code sets the rates for parking fines. The Clerk of the Circuit Court collects court fines and submits receipts to the City monthly, while parking fines are paid directly to the Department of Finance. Parking fees are as follows:

Overtime Parking	Parked in Handicapped	No City Decal	Late Charge
\$10	\$100	\$20	\$10

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Revenue collections for this category over the last ten fiscal years are as follows:

Fiscal Year	Court Fines	Parking Fines	Total
1994	108,700	111,530	220,230
1995	76,917	106,965	183,882
1996	81,348	108,285	189,633
1997	122,177	101,942	224,119
1998	141,594	107,965	249,559
1999	172,278	105,467	277,745
2000	151,837	86,166	238,003
2001	171,354	82,224	253,578
2002	190,953	91,711	282,664
2003	177,729	95,855	273,584

Revenue from Use of Money and Property

This revenue classification includes interest earnings on surplus funds, rental income from City-owned properties, and sale of surplus vehicles and equipment. Interest earnings reported here include only the General Fund, as Utility Fund revenues are highlighted in the next section.

Revenue collections from use of money and property over the last ten fiscal years are presented below:

Fiscal Year	Interest Earnings	Rental Income	Sale of Surplus	Total
1994	598,346	42,428	733	641,507
1995	(343,281)*	38,926	21,425	(282,930)
1996	853,111	35,789	695	889,595
1997	821,605	48,095	63,694	933,394
1998	963,997	55,976	9,500	1,029,473
1999	825,655	67,778	6,108	899,541
2000	726,379	108,708	8,962	844,049
2001	987,325	128,674	135	1,116,134
2002	877,741	167,913	3,550	1,049,204
2003	509,695	213,618	31,660	754,973

**Net amount of interest after sale of long-term investments*

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Rental income includes various rental properties. Specific charges as of January 1, 2004 are as follows:

Category	Location/Purpose	Monthly Rent
Municipal Center	U.S. Post Office-Parking Lot	\$1,234
Longhill Road Property	Duplex – 219 & 221 Longhill	\$165
Longhill Road Property	House – 223 Longhill	\$300
General Property	Chesapeake Bank-Parking Lot	\$225
General Property.	WRHA – Stryker Bldg.	\$1,144
General Property	Social Services Office space	\$2,708
General Property	1440 Richmond Rd – Pittman	\$1000
General Property	1440 Richmond Rd – Pittman	\$5,000
Transportation Center	Rental Car	\$900
Transportation Center	Yellow Cab	\$325
Transportation Center	Colonial Cab	\$250
Transportation Center	Amtrak	\$2,600
City Square	Parking & Amenities for Lots 1,2, &3	\$231.86 each plus \$46.37 per parking space

The Community Building user fees are included in rental income. The base rate for a weekday is \$150.00/3 hour minimum and \$300.00 for the weekend. A breakdown of rental income from remaining properties over the last ten fiscal years are presented below:

Fiscal Year	Community Building	City Square	Longhill Property	Municipal Center	Stryker Building	Transportation Center	General Property	Total
1994	0	0	4,800	18,360	0	0	19,268	42,428
1995	0	0	5,280	18,360	0	0	15,286	38,926
1996	0	0	5,280	18,360	0	0	12,149	35,789
1997	0	0	5,280	18,360	0	0	24,455	48,095
1998	0	0	5,445	42,378	0	0	8,153	55,976
1999	500	0	1,127	46,996	0	10,200	8,955	67,778
2000	18,644	6,180	1,925	46,996	0	10,925	24,038	108,708
2001	25,438	9,965	6,738	55,716	1,750	12,400	16,667	128,674
2002	25,100	19,804	3,988	59,543	4,450	38,500	16,528	167,913
2003	35,000	39,460	7,478	14,374	4,250	45,972	67,084	213,618

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CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS

Charges for Services

The City uses this revenue classification to account for various revenue sources requiring charges. Minor amounts are included under Sheriff's fees and Commonwealth Attorney's fees, of which the City has no control over. Likewise, charges for correction & detention are for work release fees from the Sheriff's Department. Also included are charges for maintenance of highways, streets, and sidewalks, which is used for billing special mowing or trash pickup and are of minimal dollar amounts each year. The largest item under this category is Charges for Parks & Recreation. City Code authorizes the Recreation Department to set and collect charges for programs and activities for use of its facilities and services. Charges for Services collected over the past ten years are shown below:

Fiscal Year	Sheriff's Fees	Commonwealth Attorney's Fees	Correction & Detention	Mtce, Hwys, Streets, etc.	Parks & Recreation	Planning & Comm. Dev.	Total
1994	1,397	539	14,000	60	226,177	17,733	259,906
1995	1,788	862	21,070	825	224,453	18,660	267,658
1996	1,251	903	18,930	723	226,755	15,924	264,486
1997	1,366	755	19,250	60	229,015	24,533	274,979
1998	1,366	745	0	0	245,484	74,686	322,281
1999	1,366	1,426	0	35	266,479	46,535	315,841
2000	1,366	877	0	3	264,765	67,791	334,812
2001	1,366	717	1,680	0	265,272	50,773	319,808
2002	1,366	728	0	0	291,421	47,598	341,113
2003	1,366	534	0	0	297,674	45,774	345,348

Recreation fees for the last ten fiscal years are highlighted in detail below:

Fiscal Year	Pool Fees	Tennis Fees	Waller Mill Park	Vending Machines	Classes	Athletics	Fishing Licenses	Misc.	Total
1994	5,257	11,210	43,263	8,897	52,930	81,068	1,362	22,190	226,177
1995	3,725	11,178	44,410	9,249	57,041	83,737	4,242	10,871	224,453
1996	5,986	12,957	34,831	7,737	55,273	100,101	1,413	8,457	226,755
1997	5,470	12,124	34,938	6,677	57,889	107,980	3,869	68	229,015
1998	5,923	10,245	36,810	9,059	59,903	116,180	6,270	1,094	245,484
1999	7,210	11,537	38,695	8,665	64,597	125,444	7,503	2,828	266,479
2000	7,491	9,498	37,450	10,117	60,749	131,192	5,881	2,387	264,765
2001	4,059	9,446	39,378	8,345	57,903	135,580	6,311	4,250	265,272
2002	6,173	11,445	44,259	7,788	64,502	136,012	6,522	14,720	291,421
2003	6,225	11,588	40,608	7,342	64,953	141,987	7,028	17,943	297,674

Charges for Planning & Community Development include minor amounts for maps and surveys, with the largest dollars attributable to the sale of cemetery lots. Cemetery lot sales and grave opening fees over the last ten fiscal years are as follows:

Fiscal Year	Cemetery Lot Sales	Grave Openings
1994	10,765	4,800
1995	12,950	3,355
1996	10,440	2,840
1997	16,900	5,105
1998	54,682	13,725
1999	22,278	16,150
2000	39,660	26,000
2001	22,700	26,650
2002	19,507	26,725
2003	20,167	23,275

REVENUE OF THE COMMONWEALTH

Monies received from the Commonwealth of Virginia are classified as either **Non-categorical** or **Categorical** aid. Non-categorical revenues are received quarterly according to State code, are not billed or itemized by the City or any constitutional officer, and are not designated to be used for any specific purpose. These are essentially put in to the General Fund and used to pay for overall operations. Categorical aid must be spent on specific purposes. In the case of constitutional officers, expenditures are itemized and sent to the Commonwealth for reimbursement, based on various formulas provided for by state code.

Non-categorical Aid

Items included in this classification, and a brief description of how City revenues are calculated are shown below:

1. **ABC Profits** - Total net profits for ABC sales for the state are determined by the Department of Alcoholic Beverage Control, and reported to the Department of Accounts quarterly for distribution to localities. The funding formula for ABC profits is: Locality population (based on latest census) ÷ total state population X net profits
2. **Wine Taxes** - 40¢/ liter wine tax is charged on all wine sold in Virginia. Taxes are remitted to the Department of Taxation, and 44% of the tax is re-distributed to localities based on the share of each locality's respective population.

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3. **Rolling Stock Taxes** - The State Corporation Commission determines the assessed value of “Certified Motor Vehicle Carriers” [primarily bus companies] and assesses a property tax at the rate of \$1 per \$100 value. These revenues are distributed quarterly to the localities based on the miles the vehicles travel throughout the localities [based on reports submitted from the carriers].
4. **Rental Car Taxes** - Payments received from the Commonwealth are based on rental car taxes collected by rental companies within each jurisdiction. A 4% rental car tax is required to be assessed on all rental vehicles (prior to July, 1997 the tax applied only to rented passenger cars). Rental companies submit the taxes monthly to DMV with a report by locality. The Commonwealth distributes these funds quarterly to localities.
5. **Grantor’s Tax** - The Clerk of the Circuit Court collects additional recording fees for this purpose, details monthly activity, and deposits these receipts in a State Account. Activity is separated at the courthouse for deeds relating to Williamsburg or James City County. Funds are distributed quarterly by the Commonwealth, from a \$10 million fund [\$40 million per year] to localities based on their share of overall grantor tax collections in the Commonwealth.
6. **599 Funds** - Each locality in the Commonwealth is eligible to receive a percentage of the total amount to be distributed equal to the percentage of the total adjusted crime index attributable to each locality as determined by the Department of Criminal Justice Services. The City must notify the Department prior to July 1 each year that its law enforcement personnel have complied with minimum training standards as provided for by State Code. These distributions are made quarterly.

Non-Categorical Aid received over the last ten fiscal years are as follows:

Non-Categorical Aid							
Fiscal Year	ABC Profits	Wines Taxes	Rolling Stock Taxes	Rental Car Taxes	Grantor’s Taxes	599 Funds	Total
1994	27,283	13,103	8,407	11,698	25,231	146,148	231,870
1995	25,746	13,540	9,893	10,326	56,144	146,148	261,797
1996	29,479	15,021	9,017	16,487	70,091	145,844	285,939
1997	28,315	15,730	8,684	19,961	84,371	145,844	302,905
1998	19,640	15,689	8,349	13,995	69,738	145,844	273,255
1999	32,926	16,117	17,384	15,680	67,295	145,844	295,246
2000	35,142	17,262	7,968	8,776	67,361	278,412	414,921
2001	30,504	17,542	10,026	5,502	75,648	315,705	454,927
2002	32,614	16,912	8,979	9,754	47,050	307,807	423,116
2003	14,518	13,442	6,907	12,057	48,940	305,013	400,877

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Categorical Aid

The City's Comprehensive Annual Financial Report classifies categorical aid into four sub-categories:

1. **Shared Expenses** - Constitutional offices included as City departments/operations with reimbursements provided (in-part) by the Commonwealth of Virginia.
2. **Welfare** - Pertaining to the City's general fund, only minor amounts of reimbursements are accounted for here. Virtually all of the City's Social Services programs are accounted for as a special revenue fund.
3. **Education** - The governor's distribution of state sales tax monies dedicated to education.
4. **Other Categorical Aid** - Largely the reimbursement for street/highway maintenance monies.

Shared Expenses

1. **Sheriff** - This is a joint activity shared with James City County. The state refunds approximately 100% of state-approved salaries and operating costs of this department. However, since the City now is part of the Virginia Peninsula Regional Jail Authority, the Sheriff now provides only courtroom security and prisoner transfer activities. Jail staffing at the Courthouse has been significantly reduced, as many former employees now work for the Authority. Reimbursements will continue for existing employees, and salaries and fringe benefits will continue to be based on state-approved figures. As in the past, any salary supplements will not be reimbursed.
2. **Commissioner of the Revenue** - State code provides for reimbursements to the City at 50% of salaries, fringe benefits and a minor portion of operating expenses. Any constitutional officer can make any special requests for payment to the Compensation Board for additional consideration. For the City's Comprehensive Annual Financial Report dated June 30, 2003, total reimbursements for Fiscal Year 2003 were **45.26%** of expenditures.
3. **Treasurer** - This is also a joint activity shared with James City County. The state reimburses the City 2/3 of salary, fringe benefits, and operating costs for the Deputy Treasurer, whose office is in the Municipal Building. The City, in turn, bills James City County 25% of the non-reimbursed amount annually. In the City's Comprehensive Annual Financial Report, only the State reimbursed monies are classified as Categorical Aid. Any reimbursements from James City County are classified as "Miscellaneous" revenues, so an exact ratio of reimbursements to expenditures is impossible to compute, based on the CAFR.
4. **Medical Examiner** - Reimbursed at \$30 per examination.

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5. Registrar/Electoral Board - Salaries are reimbursed by the State at 88% for the Registrar and the Electoral Board members. No reimbursements are made for fringe benefits or operating supplies. The Department of Finance bills the State Electoral Board annually. No salary supplements are made for the Registrar or board members.

Welfare

In prior years the City accounted for miscellaneous general relief reimbursements through the General Fund. This activity is accounted for as a special revenue fund, and is included in the City's Comprehensive Annual Financial Report in the Virginia Public Assistance Fund.

Education

State Sales Tax for Education -The Governor distributes 1% of statewide sales tax receipts to every school district based on state census figures provided for school-age population. This is adjusted with each triennial census performed by the joint school system and verified by the localities.

Categorical Aid received over the last ten fiscal years are as follows:

Categorical Aid								
Shared Expenses						Welfare	Education	
Fiscal Year	Sheriff	Comm. Of Rev.	Treasurer	Medical Examiner	Registrar/ Electoral Bd.	Welfare	State Sales Tax	Total
1994	657,013	55,432	41,506	240	30,623	1,591	383,450	1,169,855
1995	678,233	58,777	44,596	150	30,301	4,199	413,549	1,229,805
1996	746,723	60,849	22,129	90	31,141	7,944	430,400	1,299,276
1997	753,705	62,889	22,648	150	33,011	0	454,964	1,327,637
1998	120,879	66,468	24,055	90	34,239	0	479,154	724,885
1999	0	70,188	20,741	240	35,528	0	515,131	641,828
2000	0	75,571	19,570	90	36,341	0	465,182	596,754
2001	0	76,788	22,065	210	40,975	0	458,015	598,053
2002	0	74,428	23,077	180	40,642	0	429,304	567,631
2003	0	69,944	19,281	210	37,647	0	482,361	609,443

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Other Categorical Aid

Other aid received from the Commonwealth and designated for specific use includes:

1. **Arts Commission** - Grant funds are applied for by the City and James City County to the Commonwealth for the Local Government Challenge Grant Program. Funds are received directly by each locality. James City County reimburses the City for the State portion, and also an additional amount each year as provided for during the annual budget process. Since Fiscal Year 1998 *each* locality has received the \$5,000 state maximum allowed under this grant.

Total funds received for the Arts Commission over the last ten fiscal years are as follows:

Fiscal Year	Arts Commission Receipts	% Increase
1994	20,260	2.32%
1995	21,920	8.19%
1996	29,313	33.73%
1997	30,465	3.93%
1998	41,580	36.48%
1999	56,540	35.98%
2000	67,300	19.03%
2001	65,550	(2.60%)
2002	68,925	5.15%
2003	69,425	.73%

2. **Street and Highway Maintenance** - The City is reimbursed quarterly by the Commonwealth according to lane miles of streets within its boundaries. For Fiscal Year 2003-2004 reimbursements for principal/minor arterial roads are \$14,040 per lane mile, while collector/local streets are at a rate of \$8,243 per lane mile. Lane miles used to calculate reimbursement change only when additional roads are built in the City. For Fiscal Year 2003-2004 the total revenue for street and highway maintenance will be \$1,131,859 based on peak hour moving lane miles of state arterial roads in the City of 39.39 miles, and local streets of 70.22 lane miles. Payment rates change periodically, and are at the discretion of the Commonwealth of Virginia

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CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS **Fiscal Year 2005 Operating Budget**

Receipts over the last ten fiscal years are as follows:

Fiscal Year	Street & Highway Mtce Receipts	% Increase (Decrease)
1994	732,571	8.31%
1995	768,805	4.95%
1996	823,487	7.11%
1997	836,815	1.62%
1998	879,039	5.05%
1999	898,477	2.21%
2000	922,114	2.63%
2001	985,719	6.90%
2002	1,037,194	5.22%
2003	1,082,951	4.41%

4. **Emergency Services** - Each year funds are received for Radiological Emergency Preparedness. These funds support the activities of state agencies and certain local governments in establishing, maintaining, and operating emergency plans, programs and capabilities to deal with nuclear accidents⁸. In this area, monies go into a state fund from Virginia Power [as owners of the North Anna and Surry Nuclear Power Stations]. Williamsburg uses these funds to assist in developing our emergency plans and preparedness program. Annual training exercises are performed, within program guidelines, and are coordinated throughout the geographic area with other local governments and Virginia Power. Amounts received each year are based on the projected annual cost of administering the state and local governments' programs for the power stations. Emergency services program receipts over the last ten fiscal years are as follows:

Fiscal Year	Emergency Services Program Receipts
1994	10,000
1995	10,000
1996	10,000
1997	12,500
1998	6,141
1999	16,380
2000	0
2001	25,000
2002	32,117
2003	3,920

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CITY OF WILLIAMSBURG – REVENUE SOURCES AND TRENDS
Fiscal Year 2005 Operating Budget

⁸ Va Dept of Emergency Services - Funding to State and Local Government Agencies and Supporting Organizations, June, 1992

5. Fire Programs - This is a special appropriation to localities to be used for fire service training, training facilities, and fire-fighting equipment or vehicles. Localities must provide detailed expenditure reports annually to qualify for these funds. All monies received must be spent in the year of receipt.

Fire program receipts over the last ten fiscal years are as follows:

Fiscal Year	Fire Program Receipts	% Increase (Decrease)
1994	11,649	4.18%
1995	11,941	2.51%
1996	14,055	17.7%
1997	14,059	.03%
1998	14,625	4.03%
1999	14,979	2.42%
2000	14,687	(1.95%)
2001	16,203	10.32%
2002	16,203	0%
2003	16,080	(.76%)

6. EMS Funds-Two for Life - State Code provides for an additional \$2 per year to be charged and collected when registrations for pickups, panel trucks, and motor vehicle are made at the Department of Motor Vehicles. These monies are paid into the State treasury to be used for emergency medical service purposes. Twenty-five percent of these funds are returned to the localities where the registrations were made. It supports volunteer and paid-personnel training, equipment, and supplies for emergency purposes. Two for Life receipts over the last ten fiscal years are as follows:

Fiscal Year	Two for Life Receipts	% Increase (Decrease)
1994	5,348	0%
1995	5,585	4.43%
1996	5,175	(7.34%)
1997	5,537	7.00%
1998	5,136	(7.24%)
1999	5,175	.01%
2000	5,168	(.14%)
2001	5,529	6.99%
2002	5,501	(.51%)
2003	5,559	(1.05%)

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7. **Litter Control** - The City receives this annual grant from the Department of Waste Management to aid in litter control. Monies are used for litter prevention, elimination and control. The grant must be applied for each year, and an accounting is made each year to verify that funds are spent appropriately. Amounts vary each year depending on available funds and local program requirements. Revenues for litter control over the last ten fiscal years are as follows:

Fiscal Year	Litter Control Receipts
1994	1,813
1995	2,227
1996	5,343
1997	3,962
1998	4,920
1999	5,645
2000	5,417
2001	5,827
2002	5,143
2003	4,784

REVENUE FROM THE FEDERAL GOVERNMENT

The City's Comprehensive Annual Financial Report itemizes Federal receipts on the Schedule of Federal Awards, according to the Catalog of Federal Domestic Assistance catalog numbers. Social Services programs account, by far, for the majority of the City's federal funds. These are for various programs, and are accounted for in the Public Assistance Fund. The Community Development Block Grant fund is an independent fund used to account for community improvements, such as the current Strawberry Plains Project. For General Fund purposes, only limited sources of federal funding exist. These programs are highlighted:

1. **Local Law Enforcement Block Grant** - The City must apply for these funds each year through the Department of Justice, and specify the purpose for which funds will be used. The City was granted \$5,194 in Fiscal Year 2002-2003, to be used to underwrite projects to reduce crime and improve public safety, specifically crime prevention. The City provided a local match [as a grant requirement] in the amount of \$577. A specific interest-bearing checking account is used for this grant, and detailed quarterly reports must be filed until the funds are used in full.

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2. **Department of Emergency Services** - These funds are administered by the Federal Emergency Management Agency (FEMA). The City of Virginia Beach acts as fiscal agent for this program. Funds are received for disaster assistance and hurricane preparedness, and more specifically, are intended to supplement the cost of deploying the City's Emergency Management team in accordance with FEMA requirements during natural disasters. During Fiscal Year 1996 the City received \$13,169 for a winter storm and hurricane assistance. Fiscal Year 1997 recovered \$4,348 for additional assistance from the FEMA team. During Fiscal Year 1999, the City received \$135,643 for a winter ice storm. For Fiscal Year 2000, the City received \$89,045 reimbursement for Hurricane Floyd and the January snow storm. No funds were received for Fiscal Year 2001, 2002 or 2003.

POTENTIAL REVENUE SOURCES

State Code Section 58.1-3840 allows cities or towns to charge excise taxes on *cigarettes* and *admissions*. The City of Williamsburg began imposing a cigarette tax of 25¢ per pack on July 1, 2003 and does not impose an admissions tax. In addition, beginning July 1, 2003 the City began imposing a tax on wireless telephones of 10% of the bill capped at \$3.00. Actual activity on these two new taxes will be reported in next year's Budget Guide document.